



advice and support for older age

**Independent  
Age**

**Intergenerational Commission call for  
evidence – a submission from Independent  
Age**

**December 2016**



## **About Independent Age**

Whatever happens as we get older, we all want to remain independent and live life on our own terms. That's why, as well as offering regular friendly contact and a strong campaigning voice, Independent Age can provide you and your family with clear, free and impartial advice on the issues that matter: care and support, money and benefits, health and mobility. A charity founded over 150 years ago, we're independent so you can be.

### Website

For more information, visit our website [www.independentage.org](http://www.independentage.org)

### Helpline

We give free, confidential advice over the telephone for older people, their families and carers on issues such as getting help at home, adaptations, care assessments, paying for care, staying in touch with other people and welfare benefits.

Call our team of experts on 0800 319 6789, Monday to Friday, 8am-8pm, and Saturday to Sunday, 9am-5pm, or email your query to [advice@independentage.org](mailto:advice@independentage.org)

Registered charity number 210729

## Introduction

We welcomed the publication of the Resolution Foundation's thorough examination of intergenerational issues in the *Stagnation Generation* report. Concerns about the impact of the pay squeeze since the financial crisis and difficulties getting on the housing ladder for younger people are clearly valid and urgent. These are concerns that we share, particularly in view of the importance of asset ownership for decent living standards in retirement.

However, we do question the merits of framing all important questions about living standards of younger generations in terms of comparison to older generations. Insisting that all policy issues be seen through this lens risks generational conflict and may (however unwittingly) encourage resentment and accusations of one generation taking from another. The generational perspective is in our view just one of many that needs to be considered when formulating policy.

With this in mind, we were pleased to see strong acknowledgement in the Commission's launch report of the need to "abandon the 'generational war' narrative". We are wholly in agreement that narratives pitting particular generations against one another are counter-productive and ignore the hopes families naturally have for the wellbeing of all their members, whatever age. And we applaud the stated aim of the Commission to contribute to the renewal of the intergenerational contract that underpins society.

The recognition of the importance of intra-generational or intra-cohort variation in living standards as much as inter-generational variation we believe is key. We were encouraged to see the recent Work and Pensions Select Committee's recent report on intergenerational fairness acknowledge that any "focus on imbalances between generations should not detract from the important issue of disparities of wealth and opportunity within each generation"<sup>1</sup>. We were also pleased to see plans for the Commission to do further work on this subject.

Public discourse about older people often proceeds as if there were a single older generation, evidenced by the many polls and statistics that refer to over 65s as a single bloc. Much of our work at Independent Age is focused on highlighting the different experiences of different age cohorts of older people, particularly the over 75s. This submission focuses on some of our own findings about the experiences of this somewhat neglected group. We offer this evidence with the hope that the Commission will not lose this more nuanced account of later life in the UK as it continues its important work in 2017.

## Living standards

Our report from earlier this year *The overlooked over-75s* used analysis of incomes data (primarily the Family Resources Survey) to look at the differences

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<sup>1</sup> Work and Pensions Select Committee, Intergenerational Fairness, <http://www.publications.parliament.uk/pa/cm201617/cmselect/cmworpen/59/5905.htm#footnote-145>

between groups of older people and identify those on low incomes who are most at risk of being forgotten<sup>2</sup>. It found that:

- Pensioners' incomes of those aged 75 and over are on average £59 a week lower than younger pensioners and £112 a week lower than working age adults, or almost £6,000 a year<sup>3</sup>.
- A fifth of those aged 75 and over are living below the poverty line, including a quarter of single women aged 75 and over.
- Over 75s are twice as likely as under 75s to have been in poverty persistently for the last four years.

The older people we spoke to highlighted the impact that being on a low income made on their ability to afford the things they need as they get older such as transport, getting help around the home keeping their home well heated and meeting non-prescription health costs. Where we have sought to hear more about the reality of being a pensioner in the UK today, we also regularly hear from older people who are struggling to manage with their living costs (see Box 1). These experiences serve as a useful reminder that it is important not to allow the stereotype of the better-off Baby Boomer to dominate our thinking about the living standards of all pensioners.

We have also heard that even where pensioners above the poverty line are in a position to make transfers to younger relatives, this does not come without some stress and anxiety (see final quote in Box 1). These increasingly common transfers across generations, whether economic or in terms of caring responsibilities, may represent new challenges for the intergenerational contract.

### **Box 1: Focus group quotes**

- *If they take those bus passes away from us though, how many can afford to go out as often as we do?* (Male, 70s, Central Birmingham)
- *I don't think us pensioners get enough to live off...Sometimes I'm scared to tell her [daughter] how much the gas bill is* (Female, Sparkhill, 80s)
- *A lot of people don't put the heating on because of the expense* (Female, Sparkhill, 80s)
- *we get squeezed now as a generation...my children have got financial worries as well so rather than getting any help from them, I am helping them* (Female, 70s, Central Birmingham)

## **Health inequalities**

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<sup>2</sup> Independent Age, The overlooked over-75s: poverty among the 'Silent Generation' who lived through the Second World War, May 2016, [https://www.independentage.org/sites/default/files/2016-05/pensioner-poverty-report\\_final\\_website.pdf](https://www.independentage.org/sites/default/files/2016-05/pensioner-poverty-report_final_website.pdf)

<sup>3</sup> Median net equivalised household incomes before housing costs

The variation in experience amongst different groups of older people is starkly illustrated in recent figures from the Office of National Statistics on life expectancy<sup>4</sup>. We know that life expectancy varies significantly by region with for example men in Kensington and Chelsea expected to live a full decade longer than their equivalents in Glasgow City (83.4 years compared to 73.4 years). More striking still are the differences in expected years of good health. While older men at 65 in Wokingham can expect a further 14.1 healthy years of life, for those in Tower Hamlets the figure is just 4.6 years. For women, years of healthy life aged 65 vary from a high of 14.7 for those in Bromley to just 6.1 in Slough. This is a powerful example of the need to consider the major differences in life experiences between those of the same generation or cohort.

## **Housing**

Much of the narrative about private renting has focused on 'generation rent', millennials who are stuck in private renting due to the unaffordability of home ownership and inaccessibility of social rented housing. However, forthcoming research from Independent Age highlights the growing numbers of older households living in private rented accommodation<sup>5</sup>. Our report finds that just under a quarter of older households (2.4 million people in England) live in rented housing and an estimated half a million older people live in private rented property. These older renting households are in general not well off and the challenges they may face are similar to younger people in the rental market: insecurity of tenure, unaffordability, poor conditions, management standards and the inability to leave the rental market. They are also less likely to be satisfied with their accommodation, with 32% saying they felt it was unsuitable, compared to 22% of social renters and 15% of owners.

Older renters also face additional challenges, such as:

- The need to make adaptations in their rental properties, but not always being given permission to do so.
- The need to be near specific GP or social care services.
- Coping with rising rents when on a fixed pension income.

Older renters as a group tend to be disadvantaged in other ways too. More than half of older renters live alone and nearly three quarters have a disability or chronic illness. Compared to home owners, private renters were 2.5 times more likely to report high levels of loneliness. Poverty levels among older private renters are higher than older people in other housing situations: a third of older private renters are living below the poverty threshold after they have paid their rent.

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<sup>4</sup> ONS Health life expectancies, November 2016

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/healthstatelifeexpectanciesuk/2013to2015#health-state-life-expectancies-at-birth-differ-by-up-to-196-years-within-countries>

<sup>5</sup> This report from Independent Age is due to be published in February 2017

There has also been a worrying lack of investment in alternative housing options that better meet the needs of older people. Around 8,000 units of specialist retirement and extra care homes a year have been built in the last decade, but analysis by Savills suggests we need an average of 18,000 a year to maintain existing provision given the growing older population<sup>6</sup>.

Taken together, these findings stand in contrast to popular images of a pensioner population predominantly living in spacious homes that they own. A narrative that focuses only on how younger generations are unable to own their own homes risks ignoring this important and growing group of older renters.

### **Box 2: Private older renter case studies**

Mr Y is 72 and lives by himself in a private rented flat on the outskirts of London. He has lived there 7 years. Until recently, he had to make up a difference of £180 a month from the shortfall between his rent (£800 a month) and the level of Housing Benefit payable. He did this initially through savings, and when he became eligible for Attendance Allowance, he used this to pay the shortfall. His landlady has recently put the rent up to £950. He has been paying this out of his pension income (he receives guaranteed Pension Credit) and his AA, but after he also pays his bills, he has very little left. He says he manages on about £60 a week, which just covers his food. 'When you can't work anymore, you've got to tighten your belt.'

His landlady has suggested he should leave and he is worried that she will try to make him move. 'She's ok, but you never know when she's going to bite. And of course, this isn't mine, so I've just got to take what comes'.

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Margaret lives alone in Northern England and has lived in her house since the late 1980s. She lives on a private estate in a detached house owned by a company. She has multiple health conditions and is finding it increasingly difficult to go up and down her stairs so she asked her landlord to install a downstairs loo for her. After months of delay she has agreed to pay for the loo if her Landlord pays for it to be installed. In the past she has paid for hand rails to be installed and she has paid for a new cooker when the old one stopped working – "they said if you can prove you really needed it (new cooker) we will pay for it but I thought 'I can't be bothered'". She has asked for repairs and maintenance but she explains that it frequently "falls on deaf ears". Margaret is also careful not to ask for too much from her Landlord because she doesn't want them to see her as a nuisance – 'I've got two floorboards in my bedroom and I can feel them going through but I daren't tell them before I get the toilet in as they are liable to have a fit – but they will have to be done or I will go through the floor'.

These case studies of course can only hint at the many difficulties older people in the rental market are living with. We would urge the Commission to acknowledge these issues as it continues its programme of research in 2017.

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<sup>6</sup> HAPPI 3: making retirement living a positive choice. APPG on housing and care for older people. June 2016.

## Pensions

While in 2014/15 average weekly pensioner income was 7% lower than that of working age people, twenty years earlier pensioner income was 38% lower<sup>7</sup>. This levelling between working age and pensioner income over the past two decades is a major achievement.

The *Stagnation Generation* report argues that changes in pension provision mean that millennials face much more uncertain retirements than the baby boomers entering retirement today. Certainly, there has been a huge reduction in access to generous defined benefit pension schemes: less than 10% of private sector employees born in the early 1980s were active members of a defined benefit scheme in their early 30s, compared to nearly 40% of those born in the 1960s at the same age<sup>8</sup>.

However, the recent interim report of the Cridland review on the State pension age found that, over time, total median pension values are projected to increase. This is because the State Pension for younger generations will be on average higher and private pension coverage will be more widespread following the introduction of auto-enrolment. For example, 95% of those in generation Y are projected to have a private pension income in retirement due to automatic enrolment take-up<sup>9</sup>. Workplace pension saving will increasingly give more people on average more pension in retirement, as opposed to a higher defined benefit income for a narrower range of people in the current pensioner generation.

Overall then, although projections of future pension levels are never straightforward, the new State Pension and auto-enrolment changes suggests that we cannot be certain that current retirees are on average much better off than future retirees.

## **A call for a wider discussion of intergenerational understanding and attitudes**

Much of the Commission's work will focus on income, wealth and housing resources available to different generations. While of course this is important, the economic perspective is only one aspect of the intergenerational contract. The way people feel about different generations is informed by their own experiences and the public discourse they encounter in politics and the media. We would urge the Commission to consider some of these wider aspects if it is to

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<sup>7</sup> Independent Review of the State Pension Age, Interim Report, October 2016

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/559943/independent-review-of-the-state-pension-age-interim-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559943/independent-review-of-the-state-pension-age-interim-report.pdf)

<sup>8</sup> IFS, *The Economic Circumstances of Different Generations: The Latest Picture*, Briefing Note BN187, September 2016, p13

<sup>9</sup> Independent Review of the State Pension Age, Interim Report, October 2016, page 38

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/559943/independent-review-of-the-state-pension-age-interim-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559943/independent-review-of-the-state-pension-age-interim-report.pdf)

fulfil its ambitious aim of contributing to the renewal of the intergenerational contract. We would highlight two areas in particular:

### **Contact between generations**

Aside from interactions with family members, opportunities for contact with people of a very different age can be limited. This is particularly so given the decline in membership of civic and religious organisations that has been a longstanding trend in British social life. In a recent polling exercise, we asked people about the last time they had a social conversation (more than five minutes) with someone much older or younger than themselves<sup>10</sup>. While the great majority of older people (83%) said they thought this happened at least monthly, more than one in ten (14%) of those aged 75 and over reported that they could not remember the last time this had happened. This was also slightly more likely (17%) to be the case for people living alone. Although this is just a snapshot, it is an indication of a low level of engagement with different generations, at least for some people, that may present a risk in terms of inter-generational understanding.

We also hear anecdotally from older people about the desire to interact further with people of different ages, and how challenging this can be to achieve in practice. For example, a recent female focus group participant in her 70s told us:

'People tend to want to put you with people of your own age...I like to have the interaction with kids. I think there is nothing more aging than being with old people all the time... That idea fills me with horror'

While there are some excellent intergenerational projects (Magic Me, Glasgow based Generations Working Together and North and South London Cares, to name a few<sup>11</sup>) opportunities for meaningful exchange can be limited. We hope that the Commission can reflect on the importance of social connections between generations and how changes in demographics and family life may put additional strain on the intergenerational contract.

### **Current media discourse**

Consideration of the wider discourse around generational attitudes is particularly important in the wake of the EU Referendum decision earlier this year. We were concerned by the tone and language of some of the media coverage we saw around the referendum and did a brief piece of content analysis of articles from the week before and the week following the vote<sup>12</sup>.

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<sup>10</sup> ComRes interviewed 1,014 GB adults by telephone, including a booster to reach 100 interviews with adults aged 75+, between 27th and 31st October 2016. Data were weighted by age, gender, region and socio-economic grade to be representative of the population as a whole. Full results available here:

<http://www.comresglobal.com/polls/independent-age-loneliness-poll/>

<sup>11</sup> See <https://magicme.co.uk/>; <http://generationsworkingtogether.org/>; <https://northlondoncares.org.uk/about-us>; <https://southlondoncares.org.uk/>

<sup>12</sup> We used a Boolean search on the website LexisNexis identifying any articles from UK newspapers that included 'older people' AND 'EU referendum'. We carried out two searches: one search with the date range of



Some of the worrying trends we found included:

- Conflating age with particular views such as a desire to reduce immigration or to return to a previous golden era.
- The assumption that all over 65s could be described as a single voting bloc with little acknowledgement of the differences within the older population. (This was also a feature of polling on voting intentions where all older people tend to be grouped in the single 'over 65s' bracket leaving little room for exploring different attitudes of different age cohorts).
- The suggestion that high voter turnout amongst older people was implicitly a bad thing and needed to be countered by sufficient voter turnout by younger generations.
- The suggestion that older people should consider the younger generation when deciding how to vote, but no suggestion that younger people should consider the views of older people.

Taken together, some media reporting over the summer served to subtly question the democratic rights and legitimacy of older people. Anger and shock at the referendum result also led to a spate of inflammatory language about older people in a number of comment pieces.

It is in this context that the Commission is now operating. We argue that in view of this the Commission needs to be even more aware of the potential risks of contributing to further intergenerational conflict. Ensuring that it acknowledges that questions of fairness should be considered from an intra-generational perspective, not just an intergenerational perspective, is one way the Commission can do this.

## **Further information**

We are happy for this submission to be published by the Commission on its website. To follow up on any of the information in this submission, please contact [policy@independentage.org](mailto:policy@independentage.org)

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16th June 2016 to 23rd June 2016 and a second with the date range of 23rd June to 30th June 2016. In total we analysed 23 articles before the referendum vote and 23 articles following it.